

2011 - 2012 Statement of Legislative Intent

Approved

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Budget Action Title: Evaluate options for minimizing burden of City Light bills on extremely low-income customers

Councilmembers: Burgess; Licata; O'Brien; Rasmussen

Staff Analyst: Sahar Fathi

Budget Committee Vote:

Date	Result	SB	BH	SC	TR	JG	NL	RC	TB	MO
11/10/2010	Pass 9-	Y	Y	Y	Y	Y	Y	Y	Y	Y

Statement of Legislative Intent:

Background: Most renters in Seattle Housing Authority (SHA) and Section 8 housing pay standard utility rates because the SHA or Section 8 housing provides an allowance that covers renters' utility bills and because the SHA is reimbursed for utility subsidies from the federal Department of Housing and Urban Development (HUD).

Previous Central staff analysis identified a small number of City Light customers living in subsidized SHA housing for whom City Light bills can still be a significant burden. For most residents, rent and utility costs are capped together to be no more than 30% of their income and thus there is no need to provide subsidized electricity rates. However, a small number of extremely low income residents have net qualified incomes of less than \$50 per month who pay SHA's minimum rent of \$50 per month and are also responsible for paying their City Light bills. For these customers the usual SHA mechanisms of providing rent discounts to offset electricity bills does not work.

The Council requests that City Light review this earlier staff analysis, and if the results are confirmed, develop specific recommendations for how best to relieve the burden put on these customers, including perhaps a new rate class for protecting particularly vulnerable low-income customers.

The recommendations should address the following issues:

1. Cost to other ratepayers: The report should identify what the cost would be to other customers of providing various levels of support to this group of rate payers.
2. Threshold for enrollment: In addition to possibly proposing a new rate class for extremely-low income customers, the recommendations should identify which customers would be best served by being included in this class. The recommendations should identify the threshold for admissibility to this rate class and take into consideration the burden to ratepayers of implementation and outreach. It should also identify potential incentives to assist people in conserving energy to lower their rates and eventually exit the rate classification.

3. Other options: The City Council welcomes other options that Seattle City Light might propose in addition to the creation of a specialized rate class. In doing so, it would be important to identify the challenges with Section 8 vouchers and Seattle Housing Authority's regulations interacting with the current emergency low income assistance program.

The recommendations will be the basis for a possible change in the Seattle Municipal Code and results of new practices will need to be monitored. Results of the change in legislation may require additional outreach to the ratepayers in question and resources may need to be reallocated toward outreach activities as part of the Council's 2012 budget.

Responsible Council Committee(s): Energy Technology and Civil Rights

Date Due to Council: June 1, 2011